

UNITED STATES
DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

GLACIER BAY LODGE, INC.
GLACIER BAY NATIONAL PARK AND PRESERVE

CONTRACT NO. 9100-06-0001

COVERING THE PERIOD

EXECUTED August 27, 1986

January 1, 1986 THROUGH December 31, 2001

CONCESSION CONTRACT
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EXHIBITS

1. Exhibit "A": Land And Government-Owned Structures Assigned
2. Exhibit "B": Nondiscrimination Language
3. Exhibit "C": Preferential Right to Additional Services
4. Exhibit "D": Possessory Interest Assets
5. Exhibit "E": Building Replacement Cost for Insurance Purposes
6. Exhibit "F": Operations and Maintenance Agreement between
Glacier Bay Lodge, Inc. and Glacier Bay National Park
and Preserve

Contract
No. 9100-06-0001

CORPORATION

THIS CONTRACT made and entered into by and between the United States of America, acting in this matter by the Secretary of the Interior, through the Director of the National Park Service, hereinafter referred to as the "Secretary," and Glacier Bay Lodge, Inc., a corporation organized and existing under the laws of the State of Alaska, hereinafter referred to as the "Concessioner".

W I T N E S S E T H:

THAT WHEREAS, Glacier Bay National Park & Preserve (hereinafter referred to as the "Area") is administered by the Secretary to conserve the scenery and the natural and historic objects and the wildlife therein, and to provide for the public enjoyment of the same in such manner as will leave such area unimpaired for the enjoyment of future generations; and

WHEREAS, the accomplishment of these purposes requires that facilities and services be provided for the public visiting the area and that all private interest shall be excluded except so far as may be necessary for the accomplishment of said purposes, including accommodation of the public; and

WHEREAS, the United States has not itself provided such necessary services and desires the Concessioner to establish and operate the same at reasonable rates under the supervision and regulation of the Secretary: and

WHEREAS, the establishment and maintenance of such facilities and services involves a substantial investment of capital and the assumption of the risk of operating loss, it is therefore proper, in consideration of the obligations assumed hereunder and as an inducement to capital, that the Concessioner be given assurance of security of such investment and of a reasonable opportunity to make a profit; and

WHEREAS, pursuant to law the Secretary is required to exercise his authority hereunder in a manner consistent with a reasonable opportunity by the Concessioner to realize a profit on the operations conducted hereunder as a whole commensurate with the capital invested and the obligations assumed:

NOW, THEREFORE, pursuant to the authority contained in the Acts of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2-4), and October 9, 1965 (79 Stat. 969; 16 U.S.C. 20), and other laws supplemental thereto and amendatory thereof, the said parties agree as follows:

SEC. 1. TERM OF CONTRACT

(a) This contract shall be for the term of sixteen (16) years from January 1, 1986.

(b) Concessioner shall undertake and complete an improvement and building program costing not less than \$300,000 for the improvements listed in 1(b)(1) plus 5420,000 for the improvements listed in 1(b)(2) as adjusted per project to reflect par value in the year of actual construction in accordance with the appropriate indexes of the Department of Commerce's "Construction Review". It is agreed that such investment is consistent with Section 3(a) hereof. Such improvement and building program shall include:

1(b)(1) Required improvements to government improvements:

- a. Replace roofs to 55 cabins, utilities 1,2,3, and the service building (GBL - 17) located adjacent to the lodge. Completion for "old" cabins and utilities (GBL - 1-8, 22-27, 51-56; GBL - U1,3) by 5/1/91. Completion of "new" cabins, utilities and service building (GBL - 9-21, 28-50; GBL - U2; GBL - 17) by 5/1/93.
- b. Replace boardwalks and railings connecting cabins with the main lodge building, completion by 5/1/90.
- c. Upgrade cabin wiring to code, completion by 5/1/92.
- d. Grounds landscaping within the concessioner's land assignment, completion by 5/1/88.

1(b)(2) Other building and improvement requirements:

- a. Construct concession employee dining, recreation, and laundry facility, completion by 5/1/89.
- b. Construct concession maintenance shop, completion by 5/1/91.
- c. Refurbish cabin interiors, completion by 5/1/87.
- d. Convert service building (GBL - 17) to concession offices, or other uses at the discretion of the Secretary, completion by 5/1/90.

1(c) The Concessioner shall start the improvement and building program on or before October 1, 1986 in such a manner as to demonstrate to the satisfaction of the Secretary that it is in good faith carrying said program forward reasonably under the circumstances. The undertaking of such improvements shall be subject to the prior written approval of the Secretary. After approval of plans and specifications, the Concessioner shall provide the Secretary with such evidence or documentation, as may be satisfactory to the Secretary, to demonstrate that such program is being carried forward, and shall complete and have it available for public use on or before the dates specified above.

(d) The Concessioner may, in the discretion of the Secretary, be relieved in whole or in part of any or all of the obligations of the improvement program for such stated periods as the Secretary may deem proper upon written application by the Concessioner showing circumstances beyond its control warranting such relief.

(e) The Secretary reserves the right to substitute new improvements or modify the improvements listed in section 1(b), at his discretion after having consulted the concessioner. Such changes shall be subject to the dollar limitations specified in section 1(b).

SEC. 2. ACCOMMODATIONS, FACILITIES AND SERVICES

(a) The Secretary requires and hereby authorizes the Concessioner during the term of this contract to provide accommodations, facilities, and services for the public within Glacier Bay National Park, as follows:

1. Lodging
2. Food and beverage
3. Gifts and sundries
4. Fuel and oil
5. Overnight and day marine tour and charter vessel services
6. Vessel towing and repairs
7. Bus and taxi service between Gustavus and Bartlett Cove.

The Concessioner may provide services incidental to the operations authorized hereunder at the request of the Secretary.

Specific requirements and details of the operation shall be described in Operating Plans developed by the Superintendent after consultation with the Concessioner. An Operating Plan delineating the current operational responsibilities of both the Concessioner and the Secretary is included as Exhibit " F " attached hereto and made a part hereof. The Operating Plan will be reviewed annually and amended as necessary by the Superintendent after consultation with the Concessioner.

2(b) The Secretary reserves the right to determine and control the nature, type and quality of the merchandise and services described herein as authorized and required to be sold or furnished by the Concessioner within the area. Operations under this contract and the administration thereof by the Secretary shall be subject to the laws of Congress governing the area and the rules, regulations, and policies promulgated thereunder, whether now in force or hereafter enacted or promulgated, including but not limited to the United States Public Health Service requirements. Concessioners must also comply with current applicable criteria promulgated by the United States Department of Labor's Occupational Safety and Health Act of 1970 (OSHA) and those provisions outlined in the National Park Service's Safety and Occupational Health Policy associated with visitor safety and health.

(c) For purposes of tracking the provisions of Section 1307 of the Alaska National Interest Lands Conservation Act, relating to revenue-producing visitor services, the following services were being offered to the public within Glacier Bay National Monument by Glacier Bay Lodge, Inc. prior to January 1, 1979:

1. Lodging
2. Food and beverage
3. Gifts and sundries
4. Fuel and oil
5. Marine tour (day vessel only) and charter vessel services.

All of the above services were based in Bartlett Cove, Glacier Bay National Monument.

SEC. 3. PLANT, PERSONNEL, AND RATES

(a)(1) The Concessioner shall maintain and operate the said accommodations, facilities, and services to such extent and in such manner as the Secretary may deem satisfactory, and shall provide the plant, personnel, equipment, goods, and commodities necessary therefor provided that the Concessioner shall not be required to make investments inconsistent with a reasonable opportunity to realize a profit on its operations hereunder - commensurate with the capital invested and the obligations assumed.

(2) All rates and prices charged to the public by the Concessioner for accommodations, services, or goods furnished or sold hereunder shall be subject to regulations and approval by the Secretary. The Secretary shall exercise his decision making authority with respect to the Concessioner's rates and prices in a manner consistent with a reasonable opportunity for the Concessioner to realize a profit on its operations hereunder as a whole commensurate with the capital invested and the obligations assumed. Reasonableness of rates and prices will be

judged primarily by comparison with those currently charged for comparable accommodations, services, or goods furnished or sold outside of the areas administered by the National Park Service under similar conditions, with due allowance for length of season, provision for peak loads, average percentage of occupancy, accessibility, availability and cost of labor and materials, type of patronage, and other conditions customarily considered in determining charges, but due regard may also be given to such other factors as the Secretary may deem significant.

3(a)(3) The Concessioner shall require its employees to observe a strict impartiality as to rates and services in all circumstances. The Concessioner may, subject to the prior approval of the Secretary, grant complimentary or reduced rates under such circumstances as are customary in businesses of the character conducted hereunder. The Concessioner will provide Federal employees conducting official business reduced rates for lodging, essential transportation and other specified services in accordance with procedures established by the Secretary.

(b)(1) The Concessioner may be required to have its employees who come in direct contact with the public, so far as practicable, to wear a uniform or badge by which they may be known and distinguished as the employees of the Concessioner. The Concessioner shall require its employees to exercise courtesy and consideration in their relations with the public.

(2) The Concessioner shall review the conduct of any of its employees whose action or activities are considered by the Concessioner or the Secretary to be inconsistent with the proper administration of the area and enjoyment and protection of visitors and shall take such actions as are necessary to fully correct the situation.

(3) The Concessioner shall comply with the requirements of (a) Title VII of the Civil Rights Act of 1964, as well as Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, (b) Title V, Sections 503 and 504 of the Rehabilitation Act of September 26, 1973, P.L. 93-112 as amended in 1978, (c) 41 CFR, Part 60-2 which prescribes affirmative action requirements for contractors and subcontractors, (d) the Age Discrimination in Employment Act of December 15, 1967 (P.L. 90-202), as amended by P.L. 95-256 of April 6, 1978, and (e) the Architectural Barriers Act of 1968 (P.L. 90-480) which requires Government Contractors and Subcontractors to take affirmative action to employ and to advance in employment qualified handicapped individuals and to make facilities accessible to or usable by handicapped persons so that they will not be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity receiving Federal financial assistance or under any program or activity conducted by an Executive agency or by the United States Postal Service.

The Concessioner shall also comply with regulations heretofore or hereafter promulgated, relating to nondiscrimination in employment and providing accessible facilities and services to the public and shall do nothing in advertising for employees which will prevent those covered by these laws from qualifying for such employment and use of their facilities. Regulations heretofore promulgated are set forth in Exhibit "B" attached hereto and made a part hereof.

SEC. 4. GOVERNMENT LAND AND IMPROVEMENTS

(a) The Secretary hereby assigns for use by the Concessioner during the term of this contract, certain parcels of land and Government Improvements, if any, (as described in Exhibit "A" hereto) necessary to conduct the operations authorized hereunder. The Secretary reserves the right to withdraw such assignments or part thereof at any time during the term of this contract if, in his judgement, (1) such withdrawal is necessary for the purpose of protecting visitors or area resources, or, (2) the operations utilizing such assigned lands are terminated pursuant to Section 11 hereof. Any permanent withdrawal of assigned lands or improvements which are essential for conducting the operation authorized hereunder will be considered by the Secretary as a termination pursuant to Section 11 hereof. The Secretary shall compensate the Concessioner for any possessory interest in such withdrawn properties at book value as described in Section 12 hereof, or, in the event that Concessioner Improvements in which the Concessioner has a possessory interest are to be replaced by the Concessioner within the area, in accordance with fair value compensation for possessory interest described in subsection 12(b) hereof.

(b) "Government Improvements" as used herein, means the buildings, structures, utility systems, fixtures, equipment, and other improvements upon the lands assigned hereunder, if any, constructed or acquired by the Government and provided by the Government for the purpose of this contract. The Concessioner shall have a possessory interest in improvements it makes to Government Improvements. In the event that such possessory interest is acquired by the Government or a successor Concessioner at any time the Concessioner will be compensated for such possessory interest pursuant to Section 12 hereof.

(c) The Secretary shall have the right at any time to enter upon the lands and improvements utilized by the Concessioner hereunder for any purpose he may deem reasonably necessary for the administration of the area and the Government services therein.

4(d) The concessioner may construct or install upon the assigned lands such buildings, structures, and other improvements as are necessary for the operations required hereunder, subject to the prior written approval by the Secretary of the location, plans, and specifications thereof. The Secretary may prescribe the form and contents of the application for such approval. The desirability of any project as well as the location, plans and specifications thereof will be reviewed in accordance with the provisions of the National Environmental Policy Act of 1969 and the National Historic Preservation Act of 1966.

(e) If during the term hereof a Government Improvement requires major repairs and/or improvements that serve to prolong the life of the Government Improvement to an extent requiring capital investment for major repair, such capital investment shall be borne by the concessioner. Such expenditures shall be consistent with a reasonable opportunity for the concessioner to realize a profit on its operations. Where capital improvements to Government acquired or constructed facilities supporting the concession operation, including roads, parking and utility systems, are determined by the Secretary to be necessary and economically feasible for the accommodation of park visitors they shall be made by the Concessioner. If the Secretary determines that the required improvements are necessary but economically infeasible for the Concessioner, such improvements may be made by the National Park Service subject to the availability of appropriated funds.

Sec. 5. MAINTENANCE

Subject to Section 4(e) hereof, the Concessioner will, to the satisfaction of the Secretary, physically maintain and repair all buildings, structures (both Government and Concessioner's improvement) equipment and lands used in the operation (as defined under the land assignment). Maintenance will include keeping buildings, equipment and lands clean, neat, and in good repair. Specific requirements are delineated in the Maintenance Plan as set forth in Exhibit "F". Annual inspections will be carried out jointly by the Superintendent and the Concessioner in order to assure that a high standard of physical appearance, operation, repair and maintenance is maintained. The Maintenance Plan will remain in effect unless amended by the Superintendent after consultation with the Concessioner. Annual maintenance tasks shall be set forth in a Maintenance Schedule which is to be developed annually by the Superintendent after consultation with the Concessioner.

SEC. 6. CONCESSIONER'S IMPROVEMENTS

(a) "Concessioner's Improvements," as used herein, means buildings, structures, fixtures, equipment, and other improvements, affixed to or resting upon the lands assigned hereunder in such manner as to be a part of the realty, provided by the Concessioner for the purposes of this contract, (excluding improvements made to Government Improvements by the Concessioner), as follows: (1) such improvements upon the lands assigned at the date hereof as described in Exhibit "D" hereto; and (2) all such improvements hereafter constructed upon or affixed to the lands assigned to the Concessioner with the written consent of the Secretary. Concessioner's Improvements do not include any interest in the land upon which the described structures are located.

(b) The Concessioner shall have a possessory interest in all Concessioner's Improvements recognized by this contract. Possessory Interest shall consist of all incidents of ownership, except legal title which shall be vested in the United States. However, such possessory interest shall not be construed to include or imply any authority, privilege, or right to operate or engage in any business or other activity and the use or enjoyment of any structure, fixture, or improvement in which the Concessioner has a possessory interest shall be wholly subject to the applicable provisions of this contract and to the laws and regulations relating to the area. The said possessory interest shall not be extinguished by the expiration or other termination of this contract and may not be terminated or taken for public use without just compensation as determined in accordance with Section 12. Wherever used in this contract, "possessory interest" shall mean the interest described in this paragraph. Performance of the obligations assumed by the Secretary under Section 12 hereof shall constitute just compensation with respect to the taking of a possessory interest in the circumstances therein described.

(c) Any salvage resulting from the authorized removal, severance, or demolition of a Concessioner's Improvement or any part thereof shall be the property of the Concessioner.

(d) In the event that a Concessioner's Improvement is removed, abandoned, demolished, or substantially destroyed and no other improvement is constructed on the site, the Concessioner shall promptly upon the request of the Secretary, restore the site as nearly as practicable to a natural condition.

SEC. 7. UTILITIES

(a) The Secretary shall furnish utilities to the Concessioner, for use in connection with the operations authorized hereunder, when available, at reasonable rates to be fixed by the Secretary, in his discretion and which shall at least equal the actual cost of providing the utility or service unless a reduced rate is provided for in an established policy of the Secretary in effect at the time of billing.

(b) Should any such service not be available or sufficient, the Concessioner may, with the written approval of the Secretary and under such requirements as shall be prescribed by him, secure the same at its own expense from sources outside the area or may install the same within the area subject to the following conditions:

(1) Any water rights deemed necessary by the Concessioner for use of water on Federal lands shall be acquired at its expense in accordance with any applicable state procedures and state law. Such water rights, upon expiration or termination of this contract for any reason shall be assigned to and become the property of the United States without compensation.

(2) Any service provided by the Concessioner under this section shall, if requested by the Secretary, be furnished to the Government to such an extent as will not unreasonably restrict anticipated use by the Concessioner. The rate per unit charged the Government for such service shall be approximately the average cost per unit of providing such service.

(3) All appliances, and machinery to be used in connection with the privileges granted in this section, as well as the plans for location and installation of such appliances and machinery shall first be approved by the Secretary.

SEC. 8. ACCOUNTING RECORDS AND REPORTS

(a) The Concessioner shall maintain an accounting system whereby the accounts can be readily identified with the System of Account Classification prescribed by the Secretary. The Concessioner shall submit annually as soon as possible but not later than March 1 a financial statement for the preceding year as prescribed by the Secretary, and such other reports and data as may be required by the Secretary. If annual gross receipts are in excess of \$1 million, the financial statements shall be audited by an independent certified public accountant or by an independent licensed public accountant certified or licensed by a regulatory authority of a state or other political subdivision of the United States on or before December 31, 1970, in accordance with the auditing standards and procedures promulgated by the American Institute of Certified Public Accountants. If annual gross receipts are between \$250,000 and \$1 million, the financial statements shall be reviewed by an independent certified public accountant or by a licensed public accountant certified or licensed by a regulatory authority of a state or other political subdivision of the United States on or before December 31, 1970, in accordance with the auditing standards and procedures promulgated by the American Institute of Certified Public Accountants.

Financial statements accompanied by remarks such as "prepared from client records without audit" are unacceptable.

The independent licensed or certified public accountant shall include a statement to the effect that the amounts included in the financial report are consistent to those included in the Federal and state tax returns. If they are not, then a statement showing differences shall be included. The Secretary shall have the right to verify and copy for his own use all such reports from the books, correspondence, memoranda, and other records of the Concessioner and subconcessioners, if any, and of the records pertaining thereto of a proprietary or affiliated company, if any, during the period of the contract, and for such time thereafter as may be necessary to accomplish such verification.

8(b) Within ninety (90) days of the execution of this contract or its effective date, whichever is later, the Concessioner shall submit to the Secretary a balance sheet as of the beginning date of the term of this contract. The balance sheet shall be audited by an independent certified public accountant or by an independent licensed public accountant, certified or licensed by a regulatory authority of a state or other political subdivision of the United States on or before December 31, 1970. The balance sheet shall be accompanied by a schedule that identifies and provides details for assets in which the Concessioner claims a possessory interest. The schedule must describe these assets in detail showing for each such asset the date acquired, useful life, cost and book value.

(c) The Secretary and Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of five (5) calendar years after the close of business year of the Concessioner and any subconcessioner have access to and the right to examine any of the pertinent books, documents, papers, and records related to this contract including Federal, and state income tax returns.

SEC. 9. FRANCHISE FEE

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(a) For the term of this contract, the Concessioner shall pay to the Secretary for the privileges granted herein as follows:

(1) An annual fee for the use of any Government Improvements utilized by the Concessioner hereunder, if any. Such fee and assigned Government buildings to be as set forth in Exhibit "A" hereto but in no event shall the fee exceed the fair annual value of such Government Improvements as determined by the Secretary.

(2) In addition to the foregoing, a further sum equal to three and four tenths PERCENT (3.41) of the Concessioner's gross receipts, as herein defined for the preceding year.

(b) The franchise fee shall be due on a monthly basis in such a manner that payment shall be received by the Secretary within 15 days after the last day of each month that the Concessioner operates. Such monthly payment shall include the annual use fee for assigned Government Improvements, as set forth in Exhibit "A" hereto, divided by the expected number of operating months, as well as the specified percentage of gross receipts for the preceding month. The payment of any additional amounts due at the end of the operating year as a result of adjustments shall be paid at the time of submission of the annual financial report. Overpayments shall be offset against the following year's franchise fees due. All franchise fee payments consisting of 510,000 or more, shall be deposited electronically by the Concessioner using the Treasury Financial Communication System.

9(c) An interest charge will be assessed on overdue amounts for each 30 day period, or portion thereof, that payment is delayed. The percent of interest charged will be based on the current value of funds to the United States Treasury which is published quarterly in the Treasury Fiscal Requirements Manual.

(d)(1) The term "gross receipts," as used herein, shall be construed to mean the total amount received or realized by, or accruing to, the Concessioner from all sales for cash or credit, of services, accommodations, materials, and other merchandise made pursuant to the rights granted in this contract, including gross receipts of subconcessioners as hereinafter defined and commissions earned on contracts or agreements with other persons or companies operating in the area, and excluding gross receipts from the sale of genuine United States Indian and native handcraft, intracompany earnings on account of charges to other departments of the operation (such as laundry), [charges for employees' meals, lodgings, and transportation] cash discounts on purchases, cash discounts on sales, returned sales and allowances, interest on money loaned or in bank accounts, income from investments, income from subsidiary companies outside of the area, sale of property other than that purchased in the regular course of business for the purpose of resale, and sales and excise taxes that are added as separate charges to approved sales prices, gasoline taxes, fishing license fees, and postage stamps, provided that the amount excluded shall not exceed the amount actually due or paid Governmental agencies, and amounts received as a result of an add-on to recover utility costs above comparable utility charges. All monies paid into coin operated devices, except telephones, whether provided by the Concessioner or by others, shall be included in gross receipts. However, only revenues actually received by the Concessioner from coin-operated telephones shall be included in gross receipts.

(2) The term "gross receipts of subconcessioners" as used in subsection (d)(1) of this section shall be construed to mean the total amount received or realized by, or accruing to, subconcessioners from all sources, including that through vending machines or other coin-operated devices, as a result of the exercise of the rights conferred by subconcession contracts hereunder without allowances, exclusions, or deductions of any kind or nature whatsoever and the subconcessioner shall report the full amount of all such receipts to the Concessioner within 45 days after the 1st day of December of each year. The subconcessioner shall maintain an accurate and complete record of all items listed in subsection (d)(1) of this section as exclusions from the Concessioner's gross receipts and shall report the same to the Concessioner with the gross receipts. The Concessioner shall be entitled to exclude items listed in subsection (d)(1) in computing the franchise fee payable to the Secretary as provided for in subsection (a) hereof.

9(e) Within sixty (60) days after the end of each five year period of this contract or as otherwise specified, at the instance of either party hereto, the amount and character of the franchise fees provided for in this section may be reconsidered. Such request shall be made in writing within 60 days after the end of the applicable contract year but cannot be made before the end of such year. In the event that the Secretary and the Concessioner cannot agree upon an adjustment of the franchise fees within 120 days from the date of the request for renegotiation as made by either party, the position of the Concessioner must be reduced to writing within 30 days therefrom and submitted to the Secretary for a determination of appropriate fees consistent with the fair value of any assigned Government Improvements and the probable value to the Concessioner of the privileges granted by this contract based upon a reasonable opportunity for a profit in relation to both gross receipts and capital invested. If desired by the Concessioner an advisory arbitration panel will be established (one member to be selected by the Secretary, one by the Concessioner, and the third by agreement of the original two) for the purpose of recommending to the Secretary appropriate franchise fees. The Secretary and the Concessioner shall share equally the expenses of such advisory arbitration. The written determination of the Secretary as to franchise fees shall be final and conclusive upon the parties hereto. Any new fees established will be retroactive to the commencement of the applicable period for which notice of reconsideration is given and be effective for the remaining term of the contract unless subsequent negotiations establish yet a different franchise rate. If new rates are greater than existing rates, the Concessioner will pay all back fees due with the next regular payment. If new rates are less than the existing rate the Concessioner may withhold the difference between the two rates from future payments until he has recouped the overpayment. Any new franchise fees will be evidenced by an amendment to the contract unless based upon the written determination of the Secretary in which event a copy of the determination will be attached hereto and become a part hereof, as fully as if originally incorporated herein.

SEC. 10. BOND AND LIEN

The Secretary may, in his discretion, require the Concessioner to furnish a surety bond acceptable to the Secretary conditioned upon the faithful performance of this contract, in such form and in such amount as the Secretary may deem adequate. As additional security for the faithful performance by the Concessioner of all of its obligations under this contract, and the payment to the Government of all damages or claims that may result from the Concessioner's failure to observe such obligations, the Government shall have at all times the first lien on all assets of the Concessioner within the area.

SEC. 11. TERMINATION

(a) The Secretary may terminate this contract in whole or part for default at any time and may terminate this contract in whole or part when necessary for the protection of visitors or area resources. The operations authorized hereunder may be suspended in whole or in part at the discretion of the Secretary when necessary to protect the health and safety of visitors and employees or to protect area resources. Termination or suspension shall be by written notice to the Concessioner and, in the event of proposed termination for default, the Secretary shall give the Concessioner a reasonable period of time to correct stated deficiencies. Termination for default shall be utilized in circumstances where the Concessioner has breached any requirements of this contract, including failure to maintain and operate the required accommodations, facilities and services to the satisfaction of the Secretary in accordance with the Secretary's requirements hereunder.

(b) In the event of termination of this contract when necessary for the protection of visitors or area resources or for default, the compensation to the Concessioner for such termination shall be as described in Section 12, "Compensation".

(c) In the event it is deemed necessary to suspend operations hereunder in whole or in part to protect the visitors or resources of the area the Secretary shall not be liable for any compensation to the Concessioner for losses occasioned thereby, including but not limited to, lost income, profit, wages or other monies which may be claimed.

(d) To avoid interruption of service to the public upon the expiration or termination of this contract for any reason, the Concessioner, upon the request of the Secretary, will (1) continue to conduct the operations authorized hereunder for a reasonable time to allow the Secretary to select a successor, or (2) consent to the use by a temporary operator, designated by the Secretary, of the Concessioner's Improvements and personal property, if any, not including current or intangible assets, used in the operations authorized hereunder upon fair terms and conditions, provided that the Concessioner shall be entitled to an annual fee for the use of such improvements and personal property, prorated for the period of use, in the amount of the annual depreciation on such improvements and personal property as reflected on Federal Tax Returns, plus a return on the book value of such improvements and personal property equal to the prime lending rate, effective on the date the temporary operator assumes managerial and operational responsibilities, as published by the Federal Reserve System Board of Governors or as agreed upon by the parties involved. In this instance the method of depreciation used shall be either straight line depreciation or depreciation shown on Federal Tax Returns.

SEC. 12. COMPENSATION

(a) Just Compensation: The compensation described herein shall constitute full and just compensation to the Concessioner from the Secretary for all losses and claims occasioned by the circumstances described below.

(b) Contract Expiration or Termination Where Operations are to be Continued: If for any reason, including contract expiration or termination as described herein, and subject to the limitation on compensation for possessory interest contained in subsection (d) hereof, the Concessioner shall cease to be required by the Secretary to conduct the operations authorized hereunder, or substantial part thereof, and, at the time of such event the Secretary intends for substantially the same or similar operations to be continued by a successor, whether a private person, corporation or an agency of the Government,

(b)(i) the Concessioner will sell and transfer to the successor designated by the Secretary its possessory interest in Concessioner and Government Improvements, if any, as defined under this contract, and all other property of the Concessioner used or held for use in connection with such operations; and

(ii) the Secretary will require such successor, as a condition to the granting of a contract to operate, to purchase from the Concessioner such possessory interests, if any, and such other property, and to pay the Concessioner the fair value thereof.

The fair value of any possessory interest in Government Improvements (such as Sections 1(b)(1) and 1(b)(2)(c)(d)) shall be book value as described in Section 12(c) hereof. In the event that such possessory interest in Government Improvements is acquired by a successor, the successor will not be permitted to revalue such possessory interest. The fair value of possessory interest in Concessioner's Improvements (such as Section 1(b)(2)(a)(b)) shall be deemed to be the sound value of the improvement to which it relates at the time of transfer of such possessory interest, without regard to the term or other benefits of the contract.

The sound value of any structure, fixture, or improvement shall be determined upon the basis of reconstruction cost less depreciation evidenced by its condition and prospective serviceability in comparison with a new unit of like kind, but not to exceed fair market value. The fair value of merchandise and supplies shall be replacement cost including transportation. The fair value of equipment shall be replacement cost less depreciation and obsolescence.

If the Concessioner and the successor, excepting Government agencies, cannot agree upon the fair value of any item or items, either party may serve a request for arbitration upon the other party, and the fair value of the item or items in question shall be determined by the majority vote of a board of three arbitrators, selected as follows: Each party shall name one member of such board and the two members so named shall select the third member.

If either party fails to appoint an arbitrator within 15 days after the other shall have appointed an arbitrator and served written notice, including the name and address of the arbitrator appointed, upon the other party, then the American Arbitration Association shall be requested by the Secretary to appoint an arbitrator to represent the party failing to make the appointment. The costs and expenses of the arbitrator appointed by the American Arbitration Association to represent the party failing to make the appointment shall be paid for by that party. The two arbitrators so named shall select the third member. If the third member is not selected within 15 days after the appointment of the latter of the other two arbitrators, the American Arbitration Association shall be requested by the Secretary to appoint the third arbitrator.

In requesting that the American Arbitration Association appoint an arbitrator in the situations discussed above, the Secretary shall request that the person or persons appointed shall be impartial and specially qualified in commercial and real estate appraisal. The fair value determined by the Board of Arbitrators shall be binding on the parties. The compensation and expenses of the third member shall be paid by the Concessioner and one-half of the amount so paid shall be added to the purchase price.

Before reaching its decision, the board shall give each of the parties a fair and full opportunity to be heard on the matters in dispute. If the successor is a Government agency and there is a dispute as to the fair value of any possessory interest, or other items, an advisory arbitration panel will be established at the request of the Concessioner (one member to be selected by the Secretary, one by the Concessioner, and the third by agreement of the original two) for the purpose of recommending to the Secretary an appropriate fair value. The Secretary and the Concessioner shall share equally the expenses of such advisory arbitration. The written decision of the Secretary as to such fair value will be final and binding upon all parties.

12(c) Contract Expiration or Termination Where Operations are to be Discontinued: If for any reason, including contract expiration or termination as described herein, the Concessioner shall cease to be required by the Secretary to conduct the operations authorized hereunder, or substantial part thereof, and the Secretary at the time chooses to discontinue such operations, or substantial part thereof within the area, and/or to abandon, remove, or demolish any of the Concessioner's Improvements, if any, then the Secretary will take such action as may be necessary to assure the Concessioner of compensation for (i) its possessory interest in Concessioner Improvements, and Government Improvements, if any, in the amount of their book value (unrecovered cost as shown in Federal Income Tax Returns); (ii) the cost to the Concessioner of restoring any assigned land to a natural condition, including removal and demolition, (less salvage) if required by the Secretary; and (iii) the cost of transporting to a reasonable market for sale such movable property of the Concessioner as may be made useless by such determination. Any such property that has not been removed by the Concessioner within a reasonable time following such determination shall become the property of the United States without compensation therefor.

(d) Contract Termination for Default for Unsatisfactory Performance where Operations are to be Continued. Notwithstanding any provision of this contract to the contrary, in the event of termination of this contract for default for failure to maintain and operate the required accommodations, facilities and services to the satisfaction of the Secretary in accordance with the Secretary's requirements hereunder, compensation for the Concessioner's possessory interest in Concessioner's Improvements, if any, shall be at book value as described in Subsection 12(c) herein.

(e) Other Compensation. In the event of termination of this contract or portions thereof, for the purpose of protecting visitors or area resources the Concessioner may be compensated (in addition to the applicable compensation described in subsections (b) or (c) above) for such other costs as the Secretary, in his discretion, considers necessary to compensate the Concessioner for actual losses occasioned by such termination, including, but not limited to, and as the needs appear, cost of relocating from one building to another building, reasonable severance pay to employees that may be affected, penalties for early loan repayments, and reasonable overhead expenses required by such termination, but, not for lost profit or other anticipated gain from the operations authorized hereunder or anticipated sale or assignment of the Concessioner's assets, including this contract or any of its benefits.

12(f) Notwithstanding any other provision of this contract to the contrary, compensation of possessory interest created as a result of the building and improvement program described in subsection 1(b)(1) shall not exceed book value as determined by using straight line depreciation. Additionally, such improvements will have a book value of zero (0) dollars upon the expiration of this contract. In the event that such possessory interest is acquired by a successor, the successor will not be permitted to revalue such possessory interest.

(g) Notwithstanding any other provision of this contract to the contrary, the status of the three employee dormitories constructed by the Concessioner under the previous contract shall remain unchanged as regards possessory interest and compensation. These three structures shall not be considered as attached to or a part of the land although affixed thereto but shall remain the property of the concessioner. Upon the termination of the concession contract by limitation of time or otherwise, the Concessioner shall have the right to remove the employee structures and shall restore the area as nearly as possible to a natural condition. If the Concessioner elects not to remove the employee housing within one year after the termination of the concession contract, title to the structures and improvements provided for employees shall by operation of this agreement, and without further action by the National Park Service, pass to the United States without obligation to compensate the Concessioner therefor.

SEC. 13. ASSIGNMENT OR SALE OF INTERESTS

(a)(1) The Concessioner and/or any person or entity which owns a controlling interest (as herein defined) in a Concessioner's ownership, (collectively defined as the "Concessioner" for the purposes of this section) shall not assign or otherwise sell or transfer responsibilities under this Contract or the concession operations authorized hereunder, nor sell or otherwise assign or transfer (including, without limitation mergers, consolidations, reorganizations or other business combinations) a controlling interest in such operations, this contract, or a controlling interest in the Concessioner's ownership, as defined herein, without the prior written approval of the Secretary. Failure to comply with this provision or the procedures described herein shall constitute a material breach of this contract for which this Contract may be terminated immediately by the Secretary without regard to the procedures for termination for default described in Section 11 hereof, and, the Secretary shall not be obliged to recognize any right of any person or entity to an interest in this contract or to own or operate the operations authorized hereunder acquired in violation hereof.

13(a)(2) The Concessioner shall advise the person(s) or entity proposing to enter into a transaction described in Subsection (a)(1) above that the Secretary shall be notified and that the proposed transaction is subject to review and approval by the Secretary. The Concessioner shall request in writing the Secretary's approval of the proposed transaction and shall promptly provide the Secretary all relevant documents related to the transaction, and the names and qualifications of the person(s) or entity involved in the proposed transaction.

(3) Before the Secretary grants final approval for sale or transfer of ownership in the operation(s) authorized hereunder, the parties to the transaction shall have agreed in writing that the debt incurred for purchase, or the purchase price paid for the concession, shall not be used by the successor as future justification for:

a. Requesting a rate increase beyond the point of reasonable comparability pursuant to Section 3(c) of P.L. 89-249;

b. Requesting a waiver or reduction of franchise fees;

c. Submitting a claim that a reasonable opportunity to realize a profit, pursuant to Section 3(b) of P.L. 89-249, is being denied.

(b)(1) The Secretary, in exercising the discretionary authority set forth herein, shall among other matters, take into consideration the management qualifications of individuals or entities which would thereby obtain an interest in the facilities or services authorized hereunder, the experience of such individuals or entities with similar operations, and the ability of such individuals or entities to operate the concession operations authorized hereunder in the public interest under the regulation of the Secretary.

(2) For purposes of this section, the term "controlling interest" in a Concessioner's ownership shall mean, in the instance of a corporate concessioner, an interest beneficial or otherwise, of sufficient outstanding voting securities or capital of the Concessioner so as to permit exercise of substantial managerial influence over the operations of the concessioner, and, in the instance of a partnership, limited partnership, joint venture or individual entrepreneurship, any beneficial ownership of the capital assets of the Concessioner sufficient to permit substantial managerial influence over the operations of the Concessioner. The Secretary will determine at the request of interested parties whether or not an interest in a Concessioner constitutes a controlling interest within the meaning hereof.

13(c) The Concessioner may not enter into any agreement with any entity or person except employees of the Concessioner to exercise substantial management responsibilities for the operation authorized hereunder or any part thereof without written approval of the Secretary at least 30 days in advance of such transaction.

(d) No mortgage shall be executed, and no bonds, shares of stock, or other evidence of interest in, or indebtedness upon, the assets of the concessioner, including this contract, in the area, shall be issued, except for the purposes of installing, enlarging or improving, plant equipment and facilities, provided that, such assets, including possessory interests, or evidences of interests therein, in addition, may be encumbered for the purposes of purchasing existing concession plant, equipment and facilities. In the event of default on such a mortgage, encumbrance, or such other indebtedness, or of other assignment transfer, or encumbrance, the creditor or any assignee thereof, shall succeed to the interest of the Concessioner in such assets but shall not thereby acquire operating rights or privileges which shall be subject to the disposition of the Secretary.

SEC. 14. APPROVAL OF SUBCONCESSION CONTRACTS

All contracts and agreements (other than those subject to approval pursuant to Section 13 hereof) proposed to be entered into by the Concessioner with respect to the exercise by others of the privileges granted by this contract in whole or part shall be considered as subconcession contracts and shall be submitted to the Secretary for his approval and shall be effective only if approved. However, agreements with others to provide vending or other coin-operated machines shall not be considered as subconcession contracts. In the event any such concession contract or agreement is approved, the Concessioner shall pay to the Secretary within 15 days after the last day of each month that the subconcessioner operates a sum equal to FIFTY PERCENT (50%) of any and all fees, commissions, or compensation payable to the Concessioner thereunder, which shall be in addition to the franchise fee payable to the Secretary on the gross receipts of subconcessioners as provided for in Section 9 of this contract.

SEC. 15. INSURANCE AND INDEMNITY

(a) General

The Concessioner shall save, hold harmless, defend and indemnify the United States of America, its agents and employees for losses, damages or judgments and expenses on account of fire or other peril, bodily injury, death or property damage, or claims for bodily injury, death or property damage of any nature whatsoever, and by whomsoever made, arising out of the activities of the Concessioner, his employees, subcontractors or agents under the contract. The types and amounts of insurance coverage purchased by the Concessioner shall be approved by the Secretary. The Concessioner shall, annually, or at the time insurance is purchased provide the Secretary with Certificates of Insurance and Broker's Analysis sufficient to evidence compliance with this section and shall provide the Secretary thirty (30) days advance written notice of any material change in the Concessioner's insurance program hereunder. The Secretary will not be responsible for any omissions or inadequacies of insurance coverages and amounts in the event the insurance purchased by the Concessioner proves to be inadequate or otherwise insufficient for any reason whatsoever.

(b) Property Insurance

The Concessioner at its cost shall secure and maintain, for both Concessioner Improvements and assigned Government Improvements, fire, extended coverage and such other perils insurance in such types and limits as are determined by the Secretary to be necessary to repair or replace those buildings, structures, equipment, furnishings, betterments and improvements, and merchandise necessary to satisfactorily discharge the Concessioner's obligations under this contract. For insurance purposes, values of such property shall be determined at the inception of this contract and updated annually thereafter.

The Concessioner will purchase per-occurrence property insurance coverage on all buildings and structures collectively under one policy, in the amount of at least \$2,512,000 per occurrence. Those values currently in effect are set forth in Exhibit "E" to this contract.

Such insurance shall provide for the Concessioner and the United States of America to be named insureds as their interest may appear. Insurance provisions respecting replacement at the "same site" shall be waived. In the event of loss the Concessioner shall use all proceeds of such insurance to repair, rebuild, restore or replace Concessioner and Government Improvements, equipment, furnishings and other personal property hereunder, as directed by the Secretary. The lien provision of Section 10 shall apply to such insurance proceeds.

The Concessioner shall purchase the following additional property coverages:

(1) BUILDER'S RISK - For all construction projects undertaken by the Concessioner a builder's risk policy for the amount of the construction project will be purchased by the Concessioner at the time construction commences. Upon completion of the construction project the Concessioner agrees to adjust the basic property insurance coverage as necessary, so as to include the value of the new construction.

(2) BOILER AND MACHINERY - When boilers are utilized the Concessioner shall purchase and maintain boiler and machinery insurance including coverage for direct damage. Such coverage is to be in the amount of the full replacement value of the structure in which the boiler is located.

(3) FLOOD - The Concessioner is to provide coverage as applicable.

(4) EARTHQUAKE - The Concessioner is to provide coverage as applicable.

15 (c) Additional Property Damage Requirements - Government Improvements, Property and Equipment. The following additional requirements shall apply to structures, all or any part of which are "Government Improvements" as defined in Section 4(b).

(1) The insurance policy shall contain a loss payable clause approved by the Secretary which provides that insurance - proceeds shall be paid directly to the Concessioner without requiring endorsement by the United States.

(2) The use of insurance proceeds for repair or replacement of Government structures will not alter their character as Government structures and the Concessioner shall gain no possessory interest therein.

15 (d) Public Liability. The Concessioner shall purchase and maintain during the term of this contract Comprehensive General Liability insurance against claims occasioned by actions or omissions of the Concessioner in carrying out the activities and operations authorized hereunder. Such insurance shall be in an amount commensurate with the degree of risk and the scope and size of such activities authorized herein, but in any event not less than (\$100,000) for bodily injury per person and (\$5 million) per occurrence and property damage of at least (\$25,000) per occurrence. All liability policies are to specify that the insurance company shall have no right of subrogation against the United States of America except that caused by the sole negligence of the United States or its employees and have no recourse against the Government for payment of any premiums or assessments.

Specific types of coverages the Concessioner shall purchase and maintain during the term of this contract include Comprehensive General Liability, with extensions which provide Product Liability and Contractual Liability and Liquor Liability, if liquor is served.

The Concessioner shall also obtain the following additional coverages:

a. Automobile Liability - The Concessioner shall provide the following coverages respecting vehicles owned and/or operated by the Concessioner: Comprehensive Automobile Liability, Uninsured Motorist coverages, and Statutory "No Fault" coverages, as required by the state of operation.

b. Worker's Compensation - Statutory Workers' Compensation as required in the state of operation, Employers' Liability coverage (Broad Form "All State" coverage, if the Concessioner operates in more than one state), Voluntary Compensation endorsement, and (Employers' Liability in states with monopolistic Workers' Compensation funds).

c. Other - The Concessioner shall also obtain the following coverages, in at least the limits set forth for Comprehensive General Liability:

Protection and Indemnity (Watercraft Liability limits \$100,000 per person, \$12 million per occurrence, and property damage at \$25,000)

Umbrella Liability Policy

SEC. 16. PROCUREMENT OF GOODS, EQUIPMENT, AND SERVICES

In computing net profits for any purposes of this contract, the Concessioner agrees that its accounts will be kept in such a manner that there will be no diversion or concealment of profits in the operations authorized hereunder by means of arrangements

for the procurement of equipment, merchandise, supplies, or services from sources controlled by or under common ownership with the Concessioner or by any other device.

SEC. 17. DISPUTES

(a) Except as otherwise provided in this contract, any dispute, or claim, concerning this contract which is not disposed of by agreement shall be decided by the Director, National Park Service, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Concessioner. The decision of the Director shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Concessioner mails or otherwise furnishes to the Director a written notification of appeal addressed to the Secretary. In accordance with the rules of the Board of Contract Appeals, the decision of the Secretary or his duly authorized representative for the determination of such appeals, shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Concessioner shall be afforded an opportunity to be heard and to offer evidence in support of his appeal. Pending final decision of a dispute or claim hereunder, the Concessioner shall proceed diligently with the performance of the contract or as otherwise required in accordance with the Director's decision.

Claims shall be considered hereunder only if a notice is filed in writing with the Director within 30 days after the Concessioner knew or should have known of the facts or circumstances giving rise to the claim.

(b) This section does not preclude consideration of legal questions in connection with decisions provided for in paragraph (a) above; provided, that nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

(c) The provisions of this clause shall not apply to any claim of a pre-contractual nature nor of a non-contractual nature such as tort claims, nor with respect to discretionary acts or refusals to act by the United States, including but not limited to the establishment of utility rates and rates to the public hereunder and terminations or suspensions of the contract for protection of visitors or area resources nor to any other discretionary relief of action, nor in relation to action or inaction by the United States in its sovereign capacity. Decisions of the Director, National Park Service, concerning the matters mentioned in this subsection shall be final administrative determinations.

SEC. 18. GENERAL PROVISIONS.

(a) Reference in this contract to the "Secretary" shall mean the Secretary of the Interior, and the term shall include his duly authorized representatives.

(b) The Concessioner is not entitled to be awarded or to have sole negotiating rights to any Federal procurement of service contract by virtue of any provision of this contract.

(c) Notwithstanding any other provision hereof, the Secretary reserves the right to provide directly or through cooperative or other non-concession agreements with non-profit organizations any accommodations, facilities or services to area visitors which are part of and appropriate to the park interpretive programs.

(d) That any and all taxes which may be lawfully imposed by any State or its political subdivisions upon the property or business of the Concessioner shall be paid promptly by the Concessioner.

(e) No member of, or delegate to, Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

(f) This contract may not be extended, renewed or amended in any respect except when agreed to in writing by the Secretary and the Concessioner.

IN WITNESS WHEREOF, the parties hereto have hereunder subscribed their names and affixed their seals.

Dated at Anchorage, Alaska, this 27th
day of August, 1986

UNITED STATES OF AMERICA

BY: /s/ Dave Ames for
Regional Director, Alaska

CORPORATIONS

ATTEST
BY: /s/ Lori Giersdorf
TITLE: Secretary

GLACIER BAY LODGE, INC.
BY: /S/Robert Giersdorf
TITLE: President
DATE: May 6, 1986

GOVERNMENT-OWNED STRUCTURES ASSIGNED TO
 Glacier Bay Lodge, Inc.
 Pursuant To
 CONCESSION CONTRACT NO. 9100-06-0001

Building Number	Description	Annual Fee
GBL - 16	Lodge	
GBL - 17	Service Bldg. (adjacent lodge)	
GBL - U1,2,3,	Utilities - 3 (located in lodge cabin complex)	
GBLC - 1-55	Cabins - 55, wooden walkways & porches	
GBL - 59	Baggage Bldg.	
GBA - 11	Oil House - lower level	
	Main Dock - partial. See Operations Agreement for description.	

Fuel Systems:

Diesel - Seven 7,500 gallon storage tanks and the entire distribution system from and including the dock to the fuel farm and to the point of use. Excluded, and retained by the Service, is the 4" fuel line from and including the dock to the storage tanks. Also retained by the Service is one 15,000 gallon diesel storage tank and the distribution system from it to the government fuel dispenser and to the generator building.

Gasoline - Two 7,500 gallon storage tanks and the entire distribution system from and including the dock to the fuel farm and to the point of use. Excluded, and retained by the Service, is the 4" fuel line and the vapor return line from the dock to the fuel farm and the government fuel dispenser to and including the nearest shut-off valve.

Propane - The entire propane fuel system, including two 3,000 gallon tanks and the entire intake, distribution, and the vapor return system from the dock to the fuel farm and to the point of use.

The fuel distribution systems for diesel, gasoline and propane referred to above consist of all storage tanks and connecting components. This includes all intake and distribution lines, fittings, shutoff valves, check valves, anti-siphon valves, pressure reducing valves, solenoid valves, couplers, couplings, flexible hoses, dispensing units, nozzles, tank gauges, etc.

Total amount due pursuant to subsection 4(a).

\$5,000

Land Assignment
to
Glacier Bay Lodge, Inc.
Glacier Bay National Park and Preserve
Concession Contract 9100-06-0001

1. Pursuant to Section 4 of the concession contract, the land deemed necessary for the operation of the concession as shown on the attached drawings and described in the land description are assigned to the concessioner during the term of the contract.
2. Within the boundary of the parcels of assigned land, the concessioner is responsible for maintenance as prescribed by the Maintenance Agreement.
3. Within the boundary of the parcels of assigned land, the superintendent is responsible for maintenance as prescribed by the Maintenance Agreement.

LAND DESCRIPTION

Lands assigned to the concessioner during the term of Contract #9100-06-0001 include the following:

1. Lands delineated on the attached map.
2. In the area of the concession employee housing, the land assignment will extend 50 feet around all dormitories and in addition will include the area between buildings, as shown on the attached map.

Lands specifically excluded within the area described above are:

1. Specifically excluded are any government operated facilities and the land directly beneath these facilities.
2. Space within Glacier Bay Lodge (Building Y GEL - 16) will be provided for an air taxi concessioner and a desk for the Alaska Natural History Association. Approximately 25 square feet will be provided for an air taxi concessioner near the main door on the east side of the Lodge. Approximately 50 square feet will be provided for the Alaska Natural History Association on the second floor of the Lodge.

Approved, effective August 27, 1986 ,

BY: GLACIER BAY LODGE, INC.

UNITED STATES OF AMERICA

BY: /s/ Robert Giersdorf

/s/Dave Ames for

TITLE: President

Regional Director, Alaska

EXHIBIT "C"

AREA OF PREFERENTIAL RIGHT

Only those granted by Section 1307 of the Alaska National Interest Lands Conservation Act (ANILCA).

EXHIBIT "D"

Pursuant to Subsection 6(a)(1)

NONE

EXHIBIT "E"

BUILDING REPLACEMENT COST FOR INSURANCE PURPOSES

CONCESSIONER: GLACIER BAY LODGE, INC.

CONCESSION CONTRACT NO.: CC-9100-06-0001

The replacement costs set forth herein are established for the sole purpose of assuring property insurance coverage and shall not be construed as having application for any other purpose.

I. GOVERNMENT BUILDINGS

<u>Building No.</u>	<u>Description</u>	<u>Insurance Replacement Value</u>
GBL - 16	Lodge	\$1,358,332
GBL - 59	Baggage Storage	14,026
GBL - U1	Utility Bldg U1	14,551
GBL - U3	Utility Bldg US	14,551
GBL - U2	Utility Bldg U2	10,951
GBL - 17	Service Bldg	41,877
GBLC - 1-55	Cabins - 55, inc. walkways	1,614,082
	Fuel farm - partial - see Exhibit "A" for portions of fuel farm assigned to Lodge	129,575

II. CONCESSIONER BUILDINGS

GBL - 56,57,58	Concession Employee Dorms	726,024
GBL - 71	Staff Hall	<u>308,468</u>
Total		\$4,232,437

GLACIER BAY LODGE, INC.

UNITED STATES OF AMERICA

BY: /s/ Robert Giersdorf/s/ Dave AmesTITLE: President

(for) Regional Director, Alaska

DATE: 5/27/926/5/92